



February 16, 2005

SENATE BILL No. 228

DIGEST OF SB 228 (Updated February 15, 2005 2:32 pm - DI jhm)

Citations Affected: IC 12-16.

Synopsis: Hospital care for the indigent program. Extends the time period to 45 days in which a hospital may submit an application for a person to participate in the hospital care for the indigent program (program). Requires the division of family and children (division) to review information provided by the hospital in determining a person's eligibility for the program and allows the division to elect not to interview the person if the information submitted is sufficient to determine the person's eligibility for the program. Prohibits the division from denying eligibility for the program only because specified time limits have expired. States that if the division does not determine eligibility within a specified time frame, the person is considered eligible for the program. Limits the information the division may request from a hospital. Amends the formula in determining a county's hospital care for the indigent property tax levy and the applicable years. Repeals sections concerning the division's ability to recover payments under the program and subrogation.

Effective: July 1, 2003 (retroactive); upon passage.

Miller

January 4, 2005, read first time and referred to Committee on Rules and Legislative Procedure.
February 15, 2005, amended; reassigned to Committee on Appropriations.

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SB 228—LS 6882/DI 13+



February 16, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

SENATE BILL No. 228

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 12-16-3.5-3 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) The division
3 shall adopt rules under IC 4-22-2 to establish income and resource
4 eligibility standards for patients whose care is to be paid under the
5 hospital care for the indigent program.
6 (b) To the extent possible **and subject to this article**, rules adopted
7 under this section must meet the following conditions:
8 (1) Be consistent with IC 12-15-21-2 and IC 12-15-21-3.
9 (2) Be adjusted at least one (1) time every two (2) years.
10 (c) The income and eligibility standards established under this
11 section do not include any spend down provisions available under
12 IC 12-15-21-2 or IC 12-15-21-3.
13 (d) In addition to the conditions imposed under subsection (b), rules
14 adopted under this section must exclude a Holocaust victim's
15 settlement payment received by an eligible individual from the income
16 and eligibility standards for patients whose care is to be paid for under
17 the hospital care for the indigent program.

SB 228—LS 6882/DI 13+



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SECTION 2. IC 12-16-4.5-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. A hospital must file the application with the division not more than ~~thirty (30)~~ **forty-five (45)** days after the person has been ~~admitted to, or otherwise provided care by, the hospital,~~ **released or discharged from the hospital,** unless the person is medically unable and the next of kin or legal representative is unavailable.

SECTION 3. IC 12-16-4.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. **Subject to this article,** the division shall adopt rules under IC 4-22-2 prescribing the following:

- (1) The form of an application.
- (2) The establishment of procedures for applications.
- (3) The time for submitting and processing claims.

SECTION 4. IC 12-16-4.5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 8. (a) A person may file an application directly with the division if the application is filed not more than ~~thirty (30)~~ **forty-five (45)** days after the person ~~was admitted to, or provided care by,~~ **has been released or discharged from** the hospital.

(b) Reimbursement for the costs incurred in providing care to an eligible person may only be made to the providers of the care.

SECTION 5. IC 12-16-5.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. **(a)** The division shall, upon receipt of an application of or for a person who was admitted to, or who was otherwise provided care by, a hospital, promptly investigate to determine the person's eligibility under the hospital care for the indigent program. **The division shall consider the following information obtained by the hospital regarding the person:**

- (1) The person's income.**
- (2) The person's resources.**
- (3) The place of residence.**
- (4) The person's medical condition.**
- (5) Hospital care.**
- (6) Physician care.**

The division may rely upon the hospital's information in determining the person's eligibility under the program.

(b) The division may choose not to interview the person if, based on the information provided to the division, the division determines that it appears that the person is eligible for the program. If the division determines that an interview of the person is necessary,

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the division shall allow the interview to occur via telephone with the person or the person's representative if the person is not able to participate in the interview.

(c) The county office located in:

(1) the county where the person is a resident; or

(2) the county where the onset of the medical condition that necessitated the care occurred if the person's Indiana residency or Indiana county of residence cannot be determined;

shall cooperate with the division in determining the person's eligibility under the program.

SECTION 6. IC 12-16-5.5-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. (a) Subject to subsection (b), if the division is unable after prompt and diligent efforts to verify information contained in the application that is reasonably necessary to determine eligibility, the division may deny assistance under the hospital care for the indigent program. **The expiration of the period specified in IC 12-16-6.5-1.5 is not a valid reason for denying assistance under the hospital care for the indigent program.**

(b) Before denying assistance under the hospital care for the indigent program, the division must provide the person and the hospital written notice of:

(1) the specific information or verification needed to determine eligibility; ~~and~~

(2) **the specific efforts undertaken to obtain the information or verification;**

(3) **a copy of the statute or rule requiring the information or verification identified under subdivision (1); and**

(4) the date on which the application will be denied if the information or verification is not provided within ten (10) days after the date of the notice.

SECTION 7. IC 12-16-6.5-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 1.5. Subject to IC 12-16-5.5-3(b), if the division fails to complete an investigation and determination of a person's financial and medical eligibility for the hospital care for the indigent program not later than forty-five (45) days after receipt of the application filed under IC 12-16-4.5, the person is considered to be financially and medically eligible for the program. The person's:**

(1) hospital;

(2) medical; and

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1 **(3) transportation;**
 2 **services that are subject to the person's application must be**
 3 **covered under the program.**

4 SECTION 8. IC 12-16-6.5-2 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. If the division

6 ~~(1) fails to complete an investigation and determination of~~
 7 ~~eligibility under the hospital care for the indigent program not~~
 8 ~~more than forty-five (45) days after the receipt of the application~~
 9 ~~filed under IC 12-16-4.5; or~~

10 ~~(2) fails or refuses to accept responsibility for payment of medical~~
 11 ~~or hospital care under the hospital care for the indigent program,~~
 12 ~~a person, physician, hospital, or transportation provider affected~~
 13 ~~may appeal to the division not more than ninety (90) days after~~
 14 ~~the receipt of the application filed under IC 12-16-4.5.~~

15 SECTION 9. IC 12-16-7.5-1 IS AMENDED TO READ AS
 16 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The division
 17 shall pay the following **under IC 12-16-9.5** and subject to the
 18 limitations in section 5 of this chapter:

19 ~~(1) The reasonable cost of medical~~ **Physician** care covered under
 20 IC 12-16-3.5-1 or IC 12-16-3.5-2.

21 ~~(2) The reasonable cost of Transportation to the place of treatment~~
 22 ~~arising out of the medical care; where health care services~~
 23 ~~covered under IC 12-16-3.5-1 or IC 12-16-3.5-2 are provided.~~

24 SECTION 10. IC 12-16-7.5-2.5 IS AMENDED TO READ AS
 25 FOLLOWS [EFFECTIVE JULY 1, 2003 (RETROACTIVE)]: Sec. 2.5.

26 **(a) This section applies to payable claims involving:**

27 **(1) hospital services or items;**

28 **(2) physician care; or**

29 **(3) transportation services;**

30 **provided before July 1, 2004.**

31 **(b) Payable claims shall be segregated by state fiscal year.**

32 ~~(b)~~ **(c) For purposes of this chapter, IC 12-15-15-9 and**
 33 ~~IC 12-15-15-9.5; and IC 12-16-14.~~

34 (1) a "payable claim" is a claim for payment for physician care,
 35 hospital care, or transportation services under this chapter:

36 (A) that includes, on forms prescribed by the division, all the
 37 information required for timely payment;

38 (B) that is for a period during which the person is determined
 39 to be financially and medically eligible for the hospital care for
 40 the indigent program; and

41 (C) for which the payment amounts for the care and services
 42 are determined by the division; and

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(2) a physician, hospital, or transportation provider that submits a payable claim to the division is considered to have submitted the payable claim during the state fiscal year during which the division determined, initially or upon appeal, the amount to pay for the care and services comprising the payable claim.

(c) (d) The division shall promptly determine the amount to pay for the care and services comprising a payable claim.

SECTION 11. IC 12-16-7.5-2.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003 (RETROACTIVE)]: **Sec. 2.7. (a) Except as provided under subsection (g), this section applies to state fiscal years beginning after June 30, 2004.**

(b) For purposes of this chapter, IC 12-15-15-9, and IC 12-15-15-9.5, the following definitions apply:

(1) "Amount" refers to:

(A) regarding a payable claim for physician care or transportation services, the amount under IC 12-16-9.5-1; and

(B) regarding a payable claim for a hospital service or an item, an amount equal to the amount the hospital would have received for a Medicaid recipient under the state's Medicaid fee for service reimbursement principles.

(2) "Financially and medically eligible" for a person who has submitted an application under IC 12-16-4.5 means that the person has met the following requirements:

(A) The income and resource requirements specified under this article for the hospital care for the indigent program.

(B) The medical conditions described in IC 12-16-3.5-1 or IC 12-16-3.5-2.

(3) "Payable claim" means a hospital service or item, physician care, or transportation service that is provided to a person who:

(A) applies for the hospital care for the indigent program under IC 12-16-4.5; and

(B) is determined to be financially and medically eligible for the program.

The term includes the services, items, and care that are subject to the application and that meet the types of care described in IC 12-16-3.5-1 and IC 12-16-3.5-2.

(c) Payable claims shall be segregated by state fiscal year.

(d) For purposes of this chapter, IC 12-15-15-9, and IC 12-15-15-9.5, a payable claim is attributed to the state fiscal

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year during which the services, items, or care is provided and that is:

- (1) subject to the application; and
- (2) the type of care described in IC 12-16-3.5-1 and IC 12-16-3.5-2, as determined by the division or under an appeal filed by the hospital that submitted the application.

(e) After:

- (1) calculating the payment due to a physician or a transportation provider under section 5 of this chapter; and
- (2) notifying the physician or transportation provider of the amount of the payment;

the division may delay payment to the physician or transportation provider under section 5 of this chapter until the division receives information requested by the division. The division may only request information from the physician or the transportation provider that is necessary for the division to make the payments due to the physician or the transportation provider under section 5 of this chapter.

(f) The division is not responsible for paying hospitals the amount due to the hospital under IC 12-15-15-9 and IC 12-15-15-9.5. The division may only request the following information from a hospital under this article:

- (1) Hospital information that is necessary to determine a person's financial and medical eligibility for the hospital care for the indigent program.
- (2) Hospital information that is necessary to make calculations required under section 4.5 of this chapter.

(g) Hospital services or items, physician care, or transportation services provided between July 1, 2003, and June 30, 2004, are governed by section 2.5 of this chapter.

SECTION 12. IC 12-16-14-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003 (RETROACTIVE)]: Sec. 3.

(a) For purposes of this section, the following definitions apply: "payable claim" has the meaning set forth in IC 12-16-7.5-2.5(b)(1).

(1) "Amount" refers to:

- (A) regarding a payable claim for physician care or transportation services, the amount under IC 12-16-9.5-1; and
- (B) regarding a payable claim for a hospital service or item, an amount equal to the amount the hospital would have received for a Medicaid recipient under the state's Medicaid fee for service reimbursement principles.

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(2) "Financially and medically eligible" for a person who has submitted an application under IC 12-16-4.5 means that the person has met the following requirements:

(A) The income and resource requirements specified under this article for the hospital care for the indigent program.

(B) The medical conditions described in IC 12-16-3.5-1 or IC 12-16-3.5-2.

(3) "Payable claim" means a hospital service or item, physician care, or transportation services that are provided to a person who:

(A) applies for the hospital care for the indigent program under IC 12-16-4.5; and

(B) is determined to be financially and medically eligible for the program.

The term includes the services, items, and care that are subject to the application and that meet the types of care described in IC 12-16-3.5-1 and IC 12-16-3.5-2.

(b) For purposes of this section, a payable claim is attributed to the state fiscal year during which the services, items, or care is provided and that is:

(1) subject to the application; and

(2) the type of care described in IC 12-16-3.5-1 and IC 12-16-3.5-2, as determined by the division or under an appeal filed by the hospital that submitted the application.

~~(b)~~ (c) For taxes first due and payable in 2003, each county shall impose a hospital care for the indigent property tax levy equal to the product of:

(1) the county's hospital care for the indigent property tax levy for taxes first due and payable in 2002; multiplied by

(2) the county's assessed value growth quotient determined under IC 6-1.1-18.5-2 for taxes first due and payable in 2003.

~~(c)~~ (d) For taxes first due and payable in 2004, 2005, ~~and~~ 2006, **2007, and 2008**, each county shall impose a hospital care for the indigent property tax levy equal to the product of:

(1) the county's hospital care for the indigent property tax levy for taxes first due and payable in the preceding year; multiplied by

(2) the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: Determine the ~~three~~ ~~(3)~~ **five (5)** calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

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STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the county's total assessed value of all taxable property in the particular calendar year, divided by the county's total assessed value of all taxable property in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the ~~three (3)~~ **five (5)** quotients computed in STEP TWO by three (3).

~~(d)~~ **(e)** Except as provided in subsection ~~(e)~~ **(f)**:

(1) for taxes first due and payable in ~~2007~~, **2009**, each county shall impose a hospital care for the indigent property tax levy equal to the average **of the** annual amount of payable claims attributed to the county under IC 12-16-7.5-4.5 during the state fiscal years beginning:

(A) July 1, 2003;

(B) July 1, 2004; ~~and~~

(C) July 1, 2005; ~~and~~

(D) July 1, 2006; and

(E) July 1, 2007; and

(2) for all subsequent annual levies under this section, the average annual amount of payable claims attributed to the county under IC 12-16-7.5-4.5 during the three (3) most recently completed state fiscal years.

~~(e)~~ **(f)** A county may not impose an annual levy under subsection ~~(d)~~ **(e)** in an amount greater than the product of:

(1) The greater of:

(A) the county's hospital care for the indigent property tax levy for taxes first due and payable in ~~2006~~, **2008**; or

(B) the amount of the county's maximum hospital care for the indigent property tax levy determined under this subsection for taxes first due and payable in the immediately preceding year; multiplied by

(2) the assessed value growth quotient determined in the last STEP of the following STEPS:

STEP ONE: Determine the ~~three (3)~~ **five (5)** calendar years that most immediately precede the ensuing calendar year and in which a statewide general reassessment of real property does not first become effective.

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth) of the county's total assessed value of all taxable property in the particular calendar year, divided by the county's

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1 total assessed value of all taxable property in the calendar year
2 immediately preceding the particular calendar year.
3 STEP THREE: Divide the sum of the ~~three (3)~~ **five (5)** quotients
4 computed in STEP TWO by ~~three (3)~~ **five (5)**.
5 SECTION 13. THE FOLLOWING ARE REPEALED [EFFECTIVE
6 UPON PASSAGE]: IC 12-16-11.5-1; IC 12-16-11.5-2.
7 SECTION 14. **An emergency is declared for this act.**

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COMMITTEE REPORT

Madam President: The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 228, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 228 as introduced.)

GARTON, Chairperson

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